MBA

Learning to embrace the quirk ethic

Idiosyncratic students are a positive for one US school, writes Des Dearlove

Quirky is not a word that business school deans typically use to describe their MBA students. But it is a quality that Glenn Hubbard, dean of Columbia Business School admires.

"I mean it in a positive sense," he says. "I teach entrepreneurship on the MBA programme. I notice that our students are very idiosyncratic. That means that some of them will come up to bat and strike out. But it also means that some of them will swing for the fences and hit a home run."

One of six Ivy League business schools, Columbia has a distinguished academic heritage. Its reputation was cemented in the aftermath of an earlier financial crisis. In the early 1930s, the work of professors Benjamin Graham and David Dodd had a major influence in the field of finance in the aftermath of the Wall Street Crash.

Today, the business school continues to set the economic agenda. It has 147 full-time faculty, including Joseph Stiglitz, 2001 winner of the Nobel Prize in Economics. New York City acts as a magnet, drawing students from all over the world. Competition for the 750 full-time places is stiff, with only 16 per cent of applicants accepted. Columbia also offers an executive MBA program.

In 2010, Columbia alumnus Henry Kravis pledged $100 million towards expansion of the school. The money will fund a state-of-the-art new site in the Manhattanville section of NYC.

The new facilities will bolster a strong brand image — reflected in a median starting salary for MBA graduates of $110,000. "A Columbia MBA signals three things: global, entrepreneurial and the marriage of theory and practice," Hubbard says.

That marriage between theory and practice has been rocky of late. In the wake of the 2008 banking crisis, business schools were vilified for promulgating the academic theories that underpinned the excessive risk-taking practice. With its proximity to Wall Street, Columbia was bound to feel some heat.

Hubbard himself served in President Bush's council of economic advisers. He also played an active role in shaping US economic policy, including the deregulation policy leading up to the Wall Street failures in 2008. But is the criticism of business schools such as Columbia fair?

"It is both unfair and fair," Hubbard says. "I think it is unfair to say that business schools or business school faculty were the cause of the financial crisis. But there is a serious and fair element in asking: what are business schools teaching? The financial crisis wasn't a lightning bolt. And if people had been asking questions, we might have avoided a lot of pain."

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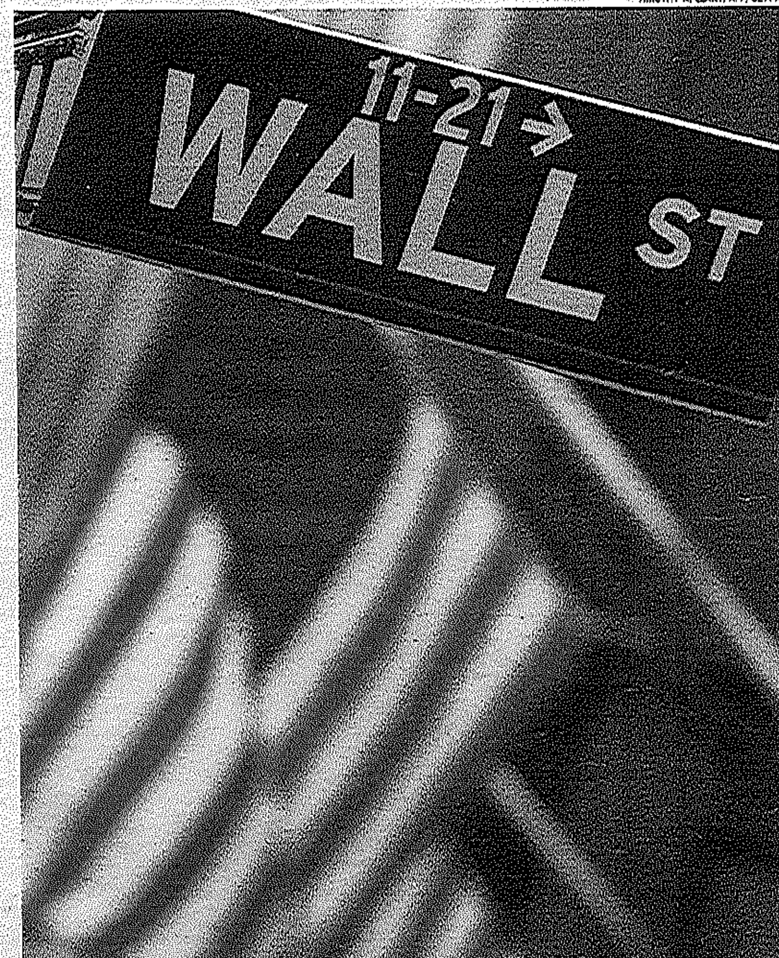

Columbia professors were hugely influential in the wake of the 1929 crash

The desire to avoid similar pain in the future prompted changes to Columbia's MBA programme in 2008 — which took effect after the collapse of Lehman Brothers. As a result a new course was added — the future of financial services — which examines not only the causes of the economic downturn but also the future of business in an unpredictable environment. A four-part module on corporate governance is also mandatory.

A new case study based on the US automotive industry has also been added this year and is an attempt to integrate disciplines.

"If I look at the changes we have made, it is less about putting Lehman Brothers cases on the curriculum and much more about how to get people focused on connecting the dots," Hubbard says.

"One change was adding a 360-degree case on General Motors in the first year of the MBA. Initially, when I said General Motors to the faculty they looked at me like I was from Mars. But it is a perfect example of the questions people should have asked to figure out what was wrong with that company — before it hit the wall."

Prevention, as they say, is often better than cure. And business schools such as Columbia are learning that they need to be in the crisis prevention business.